

**R E M A R K S**

Claims 1-66 are pending in the present application.  
Claims 1, 50, 54, and 59-66 are independent.

**Section 103(a) Rejections**

Claims 1 – 3, 5 – 8, 10 – 17, 20 – 26, 28 – 33, 37 – 47, 50, 54 – 57 and 59 – 66 (which include all independent claims) are rejected as being unpatentable over a combination of U.S. Patent No. 6,108,639 to Walker et al. ("the '639 Walker patent") and U.S. Patent No. 6,243,691 to Fisher. The remaining claims are rejected based on a combination of the '639 Walker patent, Fisher, and other patents. Applicants respectfully traverse the Examiner's Section 103(a) rejection.

Independent claims 1, 54 and 60 - 63 generally recite various limitations involving a *reward*.

Remaining independent claims 50, 59 and 64 - 66 generally recite various limitations involving a *penalty*.

Reward limitations not met by Fisher.

Claims 1 and 61 - 63 generally recite:

*determining, based on a reward rule, whether the bidder is qualified to receive a reward other than the product, and if the bidder is qualified:*  
*transmitting, to the bidder, an indication that the bidder is qualified to receive the reward*

Claim 54 recites:

*receiving a reward other than the product in response to the bid*

Claim 60 recites:

*notifying a bidder that the bidder is qualified to receive a reward other than the product*

The Office Action appears to characterize all of the above limitations as being disclosed by Col. 10, lines 41 - 47 of Fisher. However, the cited portion of Fisher does not even suggest *rewards other than the product* subject to bidding, much less the claimed limitations. In Fisher, the winning bidder receives the product he bid on, but nothing else. The cited portion of Fisher only describes that the price a winning bidder pays for the item may be different than his or her bid price.

Likewise, no other part of Fisher or any other reference of record describes *rewards other than the product* subject to bidding. Accordingly, these independent claims patentably distinguish over the cited references.

Penalty limitations not addressed.

Independent claims 50, 59 and 64 – 66 and dependent claims 51 – 53 generally recite various limitations involving a *penalty*. The Examiner has not addressed all of the limitations of any of these claims.

Independent claims 50 and 64 – 66 generally recite:

*determining before the auction closes, based on a penalty rule, whether the bidder is to receive a penalty*

Independent claim 59 generally recites:

*receiving, before the auction session closes, a penalty in response to the bid.*

It appears that independent claims 50, 59 and 64 – 66 are rejected in pages 3 – 4 of the Office Action. However, the penalty related limitations of independent claims 50, 59 and 64 – 66 are not at all addressed by these rejections. The word “penalty” is not even present in any of the portions of the Office Action dealing with the rejection of any of independent claims 50, 59 and 64 – 66. In fact, the word “penalty” is only used in one rejection - on page 10 of the Office Action. That portion of the Office Action deals solely with the rejection of claims 51 – 53.

The word penalty is not even present in the Eisher reference. Further, the other references of record do not disclose or suggest the limitations of claims 50 – 53, 59 and 64 – 66.

On page 11 of the response to Office Action, it is implied that the ‘639 Walker patent discloses that a penalty is charged before the auction closes. Specifically, under the Examiner’s interpretation of the ‘639 Walker patent, an “auction is closed once both parties come to a decision on the item up for bid” and in this happens “only after the buyer accepts the offer from the seller”.

This interpretation of the ‘639 Walker patent is not supported by the record. There is nothing in the ‘639 Walker patent or in any other record of the prior art that discloses or suggests that “an auction is closed once both parties come to a decision on the item up for bid”. Similarly, there is nothing in the ‘639 Walker patent or any other record of the prior art which discloses or suggests that in ‘639 Walker patent “it is only after the buyer accepts the offer from the seller that the auction will be closed.”

Walker clearly describes a system that is the opposite of the description on page 11 of the Office Action. Nowhere in Walker is there a suggestion that the buyer accepts anything.

In Walker, Buyers submit a binding offer (called a CPO) for a product at a buyer-defined price. Col. 3, lines 33 – 36. If a seller accepts a given CPO, and ultimately delivers goods complying with the buyer's CPO, the buyer is bound on behalf of the accepting seller, to form a legally binding contract. Col. 3, lines 30 – 33.

Further, the only description of a penalty in the ‘639 Walker patent is at Col. 10, lines 10 – 13. That portion of Walker states that “the buyer can be charged a penalty” if the buyer does not ultimately purchase the requested item once the CPO is accepted by a seller. This portion of Walker shows that it is the seller, not the buyer, who accepts. This portion also shows that the penalty in the ‘639 Walker patent is not “determined before the auction closes” (if Walker can be said to disclose an auction at all). The ‘auction’ cannot be considered open if the buyer is already bound to purchase the ‘auctioned’ item.

Accordingly, these independent claims patentably distinguish over the cited references.

#### Pionchon

Pionchon deals with playing a bridge game using a computer. Pionchon has nothing at all to do with auctions, sales or even commerce. Although Pionchon uses the word “bid”, of course this word is used to mean only the bidding in the game of bridge.

The only portion of Pionchon which refers to a penalty is the sentence at Col. 7, lines 21 – 24:

“Whenever the bid made by a player does not match the prerecorded bid, the apparatus awards penalty points to the player and these are tallied at the end of the game.”

In addition, there would clearly be no motivation to combine such a reference with any of the other references of record, which have nothing to do with the game of bridge.

Official Notice, no substantial evidence.

Each of claims **15 - 17, 23, 28 – 30, 32, 33, 43, 44, 46 and 47** recites additional limitations. These additional limitations are dismissed based solely on official notice, with no evidence in the record to support the officially noted subject matter. Thus the officially-noted subject matter improperly comprises the principal evidence upon which the rejections of these claims are based.

Applicants dispute all of the assertions of the officially noted subject matter, and specifically that any of this subject matter was old or well known. Accordingly, Applicants request references to describe the official noted subject matter in more detail. MPEP 2144.03.

Similarly, several motivations to modify or combine various references are provided, and these motivations lack any evidentiary support in the record. No evidence in the record shows or even suggests that one of ordinary skill in the art would be motivated to make the proposed modifications or combinations. Similarly, no evidence in the record shows or even suggests that one of ordinary skill in the art would recognize any of the purported benefits that the Examiner states are consequences or benefits of the combinations or modifications.

These motivations are stated at:

page 4, par. 3; page 5, par. 17; page 6, par. 3; page 8, last paragraph; page 9, par. 3; page 9, last paragraph; page 10, par. 4; page 10, last paragraph; and the paragraphs noted above which assert Official Notice for the rejections.

Only hindsight gleaned from the present application could prompt one of ordinary skill in the art to make any of the proposed modifications or combinations. Accordingly, Applicants request evidentiary support for the proposed motivations to combine.

**Conclusion**

For the foregoing reasons it is submitted that all of the claims are now in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Dean Alderucci at telephone number 203-461-7337 or via electronic mail at Alderucci@WalkerDigital.com.

**Petition for Extension of Time to Respond**

Applicants hereby petition for a **three-month** extension of time with which to respond to the Office Action. Please charge \$460.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an extension of time is required, or if an additional extension of time is required in addition to that requested in a petition for an extension of time, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,



Dean Alderucci  
Attorney for Applicants  
Registration No. 40,484  
Alderucci@WalkerDigital.com  
Walker Digital, LLC  
203-461-7337 / voice  
203-461-7300 / fax

October 17, 2002  
Date